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SIPDIS

E.O. 12958: DECL: 12/31/2018
TAGS: PGOV PREL UP
SUBJECT: ANTI-CRISIS LEGISLATION PASSES FIRST READING;
ELECTION BILLS NARROWLY FAIL

Classified By: DCM James Pettit for reasons 1.4 (b,d).

SUMMARY

¶1. (C) Rada faction leaders on October 29 broke a legislative impasse by agreeing to consider IMF required anti-crisis legislation before President Yushchenko's early election amendments package. The anti-crisis package passed, drawing unanimous support from the Prime Minister and President's blocs. The required second reading and vote are scheduled for tomorrow. Yushchenko's election related bills failed by four votes, with a split vote from the President's own Our Ukraine-People's Self Defense bloc factoring into the result.
END SUMMARY.

FACTIONS AGREE TO WORK TODAY

¶2. (SBU) Rada faction leaders agreed on October 29 to vote on President Yushchenko's anti-crisis legislation package that was coordinated with the Prime Minister's office. The deal stipulated that only after a vote on the anti-crisis package would the Rada consider election related bills. Prime Minister Tymoshenko gave an impassioned speech in support of the President's legislation and withdrew the Cabinet of Ministers' previous anti-crisis legislation. After being challenged by Party of Regions MP Hanna Herman, Tymoshenko said she would take personal responsibility for the success or failure of the IMF package to stabilize the Ukrainian economy. Debate on the bills lasted for more than three hours. Rada Speaker Yatsyenyuk finally pleaded with deputies to stop making speeches and vote.

ANTI-CRISIS BILLS PASS FIRST HURDLE

¶3. (SBU) The coordinated package of anti-crisis bills passed the first reading with 248 votes. The Yuliya Tymoshenko Bloc (BYuT) and Our Ukraine-People's Self Defense (OU-PSD) bloc voted unanimously for the legislation. Two Party of Regions (Regions) MPs and 17 Lytvyn bloc MPs also voted for the package. Yatsyenyuk announced that a vote on the second reading of the anti-crisis package will be held in the morning session on October 30. He said that the President is ready to sign the law immediately after it passes in the second reading. Tymoshenko commented afterward that the unity of BYuT and Our Ukraine on the emergency measures could set the stage for a possible resumption of their coalition.

REGIONS IN THE DARK OVER IMF PACKAGE DETAILS

¶4. (C) Party of Regions MP Vladimir Makiyenko told us that Regions did not vote for the anti-crisis legislation because

the Presidential Secretariat and the Cabinet of Ministers had not shared any details of the IMF agreement with his party. He added that the PM's office had refused to tell Regions the length or interest rate of the IMF loan. Makiyenko dismissed Tymoshenko's appeal to Regions and the Communist party to support the anti-crisis legislation. He said Regions could never support accepting an IMF package that they had yet to see. Regions MP Yuriy Miroshnichenko said that Regions asked the IMF representative for a copy of the agreement, but were told to ask their own government.

EARLY ELECTION LEGISLATION SPLITS OU-PSD FACTION

15. (SBU) Both of Yushchenko's early election related bills failed to pass the Rada, falling four votes shy of the required 226. The first bill to amend the 2008 budget to fund early elections received 170 votes from Regions, 35 from OU-PSD, and 17 from the Lytvyn Bloc. The second bill which amended the electoral laws, including removing the fifty percent turnout requirement and temporarily waiving the 2007 requirement to form a national voter registry, received 171 votes from Regions, 30 from OU-PSD, 20 from the Lytvyn Bloc, and one from BYuT. Except for BYuT MP Rybakov's vote on the second bill, BYuT and the Communists stuck to their public refusals to vote on the election legislation. The split in OU-PSD over early elections guaranteed the failure of Yushchenko's election package.

COMMENT

16. (C) The economic crisis and looming IMF deadline pushed the Rada to overcome partisan differences and pass the anti-crisis legislation. The lack of similar pressure to force movement on the election legislation saw it fall victim to Ukraine's fractious politics. Failure of bills intended to fund an early parliamentary election casts further uncertainty on whether and when such an election might take place. Tymoshenko has raised the specter that the unity between the Tymoshenko Bloc and Our Ukraine on the emergency measures could portend a resumption of the Orange coalition, but Yushchenko appears to remain firmly opposed. The split in the OU-PSD faction means that Yushchenko's solid supporters in the Rada are down to a rump of only thirty.

TAYLOR